

SENATE BILL No. 78

DIGEST OF INTRODUCED BILL

Citations Affected: IC 10-12.

Synopsis: State police pension benefits. Provides a 1% cost of living adjustment (COLA) for retirees of the state police 1987 benefit system. Provides a COLA equal to the greater of: (1) the supplemental benefit; or (2) 1% of the retiree's monthly pension benefit; for retirees of the state police pre-1987 benefit system. Revises the calculation of the supplemental benefit.

Effective: July 1, 2004.

Craycraft

December 2, 2003, read first time and referred to Committee on Pensions and Labor.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 78

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 10-12-4-9 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2004]: **Sec. 9. (a) The basic monthly pension amount (plus**
4 **postretirement increases) payable after June 30, 2004, to a member**
5 **of the state police 1987 benefit system who retired or was disabled**
6 **after June 30, 1987, and before July 2, 2002, shall be increased by**
7 **the lesser of:**

8 (1) **one percent (1%) of the member's monthly benefit (the**
9 **basic monthly pension amount calculated under section 7 of**
10 **this chapter plus postretirement increases); or**

11 (2) **one percent (1%) of the maximum basic monthly pension**
12 **amount payable to a retired state police employee in the grade**
13 **of trooper, as calculated under section 7 of this chapter.**

14 **(b) The increases specified in this section:**

15 (1) **shall be based on the date of the member's latest**
16 **retirement or disability;**

17 (2) **do not apply to the benefits payable in a lump sum; and**



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(3) are in addition to any other increase provided by law.

SECTION 2. IC 10-12-5-3, AS ADDED BY P.L.2-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) The pension advisory board that administers the pension under IC 10-12-3 shall direct and supervise the supplemental benefits provided in this chapter.

(b) The pension advisory board shall annually:

(1) provide a schedule showing the number of retirees receiving pension benefits under IC 10-12-3; and

(2) add to the regular pension benefit or annuity a supplemental benefit equal to fifty percent (50%) of the difference between:

(A) the retiree's pension amount; and

(B) the pension benefits received by an employee retiring from the department after July 1, 1970, with twenty (20) years of active service.

described in subsection (c).

(c) The supplemental benefit described in subsection (b)(2) is equal to fifty percent (50%) of:

(1) for members who retire after June 30, 1972, the total increase occurring after the retiree's retirement date in the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; or

(2) for members who retired before July 1, 1972, the difference between:

(A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

(B) the lesser of:

(i) the pension benefit received by the member; or

(ii) the pension benefit received by an employee retiring from the department on July 1, 1972, with twenty (20) years of active service.

SECTION 3. IC 10-12-5-4, AS ADDED BY P.L.2-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. As an incentive to all employees of the department, the supplemental pension benefits of this chapter shall be increased by more than the fifty percent (50%) increase provided in section 3 of this chapter, at the rate of five percent (5%) per year for each year of active service over twenty (20) years up to thirty (30) years of service, to provide that retired employees with thirty (30) years of service are entitled to one hundred percent (100%) of: the regular pension benefits of employees who retire with twenty (20) years of active service after

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~~July 1, 1970.~~

- (1) for members who retire after June 30, 1972, the total increase occurring after the retiree's retirement date in the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; or
- (2) for members who retired before July 1, 1972, the difference between:

- (A) the pension benefits to be received by an employee retiring from the department with twenty (20) years of active service; and

- (B) the lesser of:

- (i) the pension benefit received by the member; or

- (ii) the pension benefit received by an employee retiring from the department on July 1, 1972, with twenty (20) years of active service.

SECTION 4. IC 10-12-5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. (a) The monthly pension amount (plus postretirement increases) payable after June 30, 2004, to a member of the state police pre-1987 benefit system who is retired or disabled shall be increased by the greater of:

- (1) the amount of the supplemental benefit that will accrue to the member after July 1, 2004, and before July 1, 2005, under sections 3 and 4 of this chapter; or

- (2) an amount equal to the monthly pension amount (plus postretirement increases) multiplied by one percent (1%).

(b) The increases specified in this section:

- (1) shall be based upon the date of the member's latest retirement or disability;

- (2) do not apply to benefits payable in a lump sum; and

- (3) are in addition to any other increase provided by law.

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